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Controller Chiang's Office Processes the First of More than \$3 Billion in Late Payments

SACRAMENTO – State Controller John Chiang today announced more than \$3 billion in payments delayed during the budget stalemate that ended Friday are in the process of being printed and mailed.

Among the first payments processed over the weekend were 40,000 Medi-Cal warrants for \$1.2 billion owed to hospitals, nursing homes, health clinics and managed health care plans. The printing of those warrants, which started on Sunday, took 15 hours. Employees in the State Controller's Office are inserting and sorting those payments today, and they will be either mailed out Tuesday night, or electronically deposited on Wednesday.

"I am extremely proud of the hard work of the dedicated employees of the State Controller's Office," Chiang said. "We all realize the pain that so many Californians experienced as a result of the 52-day budget impasse, and are working around the clock to get these claims processed and the checks in the mail as quickly as possible."

Thirty employees from the disbursements, audits and payroll bureaus worked Saturday and Sunday to process 2,000 manual claims that arrived at the Controller's Office on Friday. They also loaded the budget information into the Controller's automated fiscal system, adjusting the appropriations per the governor's vetoes.

Claims from state agencies for payments to small-business vendors, day care operators and others deemed priorities are being processed on an expedited schedule. A payment totaling \$326.2 million owed to community colleges has been processed and electronically sent to the banks for posting on Wednesday. The Controller's Office anticipates the regularly-scheduled August payment of \$400 million will be posted on Friday.

Because the budget was signed after the Controller's Office ran its master payroll for the August paychecks, salary increases earned by about 190,000 state employees during the months of July and August will be issued separately. For employees with direct deposit service, payments will be posted with their financial institution Thursday or Friday. State employees without direct deposit will receive their checks or warrants no later than Friday. Late payments for about 600 Constitutional officers, legislators and their exempt employees also will be mailed Tuesday.

The Controller estimates more than 60,000 claims for more than \$3 billion in payments were withheld since July 1. Chiang said he expects to complete the payment of the backlog of claims within two weeks, and the office will return to its normal schedule by September 7.

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